

GULF COUNTY BOARD OF COUNTY COMMISSIONERS

REQUEST FOR PROPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

September 14, 2010

1000 Cecil G. Costin Sr., Blvd., Port St. Joe, FL 32456

GULF COUNTY BOARD OF COUNTY COMMISSIONERS REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The Gulf County Board of County Commissioners is soliciting proposals from qualified firms of Independent Certified Public Accountants to audit the financial statements of the County for the fiscal year ending September 30, 2010, with an option for five, one year renewals. The audits are to be performed in accordance with generally accepted auditing standards, the provisions of the Federal Single Audit Act, the State of Florida, Rules of the Auditor General and any other applicable rules or regulations.

There is no expressed or implied obligation for the Gulf County Board of County Commissioners to reimburse responding firms for any expenses incurred in preparing proposals in response to this request

To be considered, 10 copies of the proposal must be received by the Clerk To The Board of County Commissioners, Gulf County Courthouse, 1000 Cecil G. Costin Sr., Blvd., Port St. Joe, Florida, 32456 by 4:30 p.m. on Friday, October 8, 2010. The Gulf County Board of County Commissioners reserves the right to reject any or all proposals submitted.

Proposals submitted will be evaluated by an Audit Selection Committee. Final selection will be made by the Board of County Commissioners.

During the evaluation process, the Audit Selection Committee and the Gulf County Board of County Commissioners reserve the right, where it may serve Gulf County's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the Gulf County Board of County Commissioners or the Audit Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Gulf County Board of County Commissioners reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Gulf County Board of County Commissioners and the firm selected.

Any person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not

submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Florida State Statutes Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

Before starting and until termination of work for, or on behalf of, the Gulf County Board of County Commissioners, the audit firm shall procure and maintain proper insurance of the types required by law.

It is anticipated the selection of a firm will be completed by October 29, 2010. Following the notification of the selected firm it is expected a contract will be executed between both parties by October, 2010.

B. Term of Engagement

A one year contract, with an option to renew five additional one year terms is contemplated, subject to the annual review and recommendation of the Gulf County Board of County Commissioners, the satisfactory negotiation of terms (including a price acceptable to both the Gulf County Board of County Commissioners and the selected firm), the concurrence of the Board of County Commissioners and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The auditor will assemble the financial statements based on the information provided.

Gulf County desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. This includes audits of each of the constitutional officers. An opinion on the fair presentation of the combining and individual fund financial statements and government-wide and fund financial statements should also be expressed, based upon the auditing procedures applied in the audit of the basic financial statements.

As required by Rules of the Auditor General [Section 10.554(1)(h) 7], the audit will include a review of the provisions of Section 28.35, Florida Statutes, regarding the budget and performance standards certified by the Florida Clerk of Courts Operations Corporation.

B. Auditing Standards To Be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Auditing standards generally accepted in the United States of America, and the standards set forth by the Comptroller General of the United States applicable to financial audits, which is contained in Government Auditing Standards, the provisions of the U.S. Office

of Management and Budget (OMB) Circular A-133 and the Single Audit Act of 1984 and amendments of 1996, as well as the Florida Single Audit Act, the rules of the Auditor General Chapter 10.550, and any other applicable laws or standards.

C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements of the County as a whole. In addition, a separate report for each of the Constitutional Officers.
2. A report on compliance with applicable laws and regulations
3. All applicable reports of State and Federal financial assistance in association with the Single Audit Act of 1984 and amendments of 1996 and the Florida Single Audit Act.
4. Management letters for the Board of County Commissioners and all Constitutional Officers.
5. A report on internal control based on the auditor's understanding of the control structure and assessment of control risk.
6. A report on the fair presentation of the Statement of County Funded Court-Related Functions, as required by Florida Statute 29.0085.

D. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three years, unless the firm is notified in writing by the Gulf County Board of County Commissioners of the need to extend the retention period. The auditor will be required to make working papers available, upon request, any federal, state, or Gulf County agency.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons

The auditor's principal contact with the Gulf County Board of County Commissioners will be the Clerk's Finance Officer, or a designated representative, who will coordinate the assistance to be provided by the Gulf County Board of County Commissioners to the auditor.

Carla Hand, Finance Director
Gulf County Clerk of Circuit Court
1000 Cecil G. Costin Sr. Blvd Room 148
Port St. Joe, FL 32456
chand@gulfclerk.com

B. Background Information

Gulf County, Florida (the County) located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 16,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It is governed by a five-member elected Board of County Commissioners (the Board), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The County was established by the Constitution of the State of Florida, Article VIII, Section 1(e). Dependent special districts were created as follows. Highland View Water and Sewer District, Laws of Florida Chapter 61-2212; Howard Creek Fire District, Laws of Florida Chapter 79-467; Overstreet Fire District, Laws of Florida Chapter (78-513; St. Joseph's Fire District, Laws of Florida Chapter 47-24541; and Tupelo Fire District, Laws of Florida Chapter 70-696 All Fire Districts were conformed and re-established by County Ordinance 1996-12..

Gulf County's fiscal year begins on October 1st and ends on September 30th.

Gulf County's total payroll for fiscal year 2008/2009 was approximately \$6,591,625 covering roughly 147 employees.

More detailed information on the government and its finances can be found in the Annual Budget. This document is available for viewing on the Clerk of Court's web site at <http://www.gulfclerk.com/>, under the Finance Tab.

C. Fund Structure

Gulf County uses the following fund types and account groups in its financial reporting:

| <u>Fund Type/ Account Group</u> | <u>Number of Individual Funds</u> | <u>Number with Legally Adopted Annual Budgets</u> |
|---|---|---|
| General Fund (Board & Elected Officials | 5 | 1 |
| Special Revenue funds | 30 | 25 |
| Debt Service Funds | 1 | 1 |
| Capital Projects Funds | 1 | 1 |
| Enterprise Funds | 3 | 2 |
| Agency Funds | 9 | 0 |

D. Budgetary Basis of Accounting

Gulf County prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Component Units

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are component units of the County, and are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. These constitutional officers operate on a budget system whereby County-appropriated funds are received from the Board with unexpended funds returned to the Board. The Clerk of the Circuit Court operates as a fee officer by retaining various fees collected by this office and billing the Board for certain services provided. Separate accounting records and budgets are maintained by each individual office.

As outlined in Governmental Accounting Standards Board (GASB) Statement No. 14, The Reporting Entity, the financial reporting entity consists of the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria outlined in GASB Statement No. 14 to determine whether the entity is: a) part of the primary government; b) a component unit which should be included in the reporting entity (blended or discretely presented); or c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. The dependent special districts, Howard Creek Fire Control, Overstreet Fire Control, St. Joseph Fire Control, Tupelo Fire Control, and Highland View Water and Sewer District are considered component units, and are blended in the financial statements of the County as part of the enterprise fund and the special revenue funds. There were no other entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the County's financial statements.

F. Availability of Prior Audit Reports and Working Papers

The Annual Financial Reports for 2007-2008 and 2008-2009 are available for viewing on the Clerk of Court's web site at <http://www.gulfclerk.com/>, under the Finance Tab. Interested proposers who wish to review additional prior years' audit reports and management letters should contact the Clerk To The Board of Gulf County Commissioners, 1000 Cecil G. Costin Sr., Blvd., Port St. Joe, FL 32456; (850)229-6113. The Gulf County Board of County Commissioners will use its best efforts to make prior

audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

G. Federal and State Financial Assistance

Detailed information can be obtained from the schedule of financial assistance included in each of the County's annual financial reports on the Clerk of Court's website at <http://www.gulfclerk.com>.

IV. TIME REQUIREMENTS

The following is a list of key dates up to and including the date proposals are due to be submitted:

| PROPOSAL CALENDER | DUE DATE FOR PROPOSALS |
|--|-------------------------------|
| REQUEST FOR PROPOSAL ISSUED | SEPTEMBER 23, 2010 |
| | |
| DUE DATE FOR PROPOSALS | OCTOBER 8, 2010 |
| | |
| NOTIFICATION DATE | |
| SELECTED FIRM NOTIFIED ON OR BEFORE | OCTOBER 29, 2010 |

C. Date Audit May Commence

The Gulf County Board of County Commissioners, including component units, will have all records ready for audit and all management personnel available to meet with the firm's personnel as of the first week of December, 2010.

- D. Schedule for the 2010 Fiscal Year Audit** (A similar time schedule will be developed for audits of future fiscal years if the Gulf County Board of County Commissioners exercises its option for additional audits).

Each of the following should be completed no later than the dates indicated.

| | |
|-------------------|---|
| NOVEMBER 18, 2010 | PRE-AUDIT MEETING WITH CLERK TO THE BOARD OF GULF COUNTY COMMISSIONERS AND COUNTY ADMINISTRATOR |
| DECEMBER 6, 2010 | FIRST DAY OF FIELD WORK, LEAD SCHEDULES PROVIDED |
| FEBRUARY 28, 2011 | FIELD WORK COMPLETED |
| MARCH 7, 2011 | MEET WITH CLERK TO THE BOARD OF GULF COUNTY COMMISSIONERS TO DISCUSS EOMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS |
| MARCH 14, 2011 | SINGLE AUDIT REPORTS AND MANAGEMENT LETTER COMPLETED: EXIT CONFERENCE WITH CLERK TO THE BOARD OF GULF COUNTY COMMISSIONERS AND COUNTY ADMINISTRATOR |
| JUNE 28, 2011 | PRESENTATION TO THE GULF COUNTY BOARD OF COUNTY COMMISSIONERS |

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND ADDITIONAL REPORTS TO BE PREPARED BY THE AUDITOR

The Clerk's finance staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. In addition, the following will also be performed:

1. Finance staff will prepare summary trial balances and provide other information, documentation and explanations, as needed. All information provided will be in the format maintained by the Clerk's Finance Department (or other Constitutional Officer)
2. Report preparation, editing and printing shall be the responsibility of the auditor.
3. Additional reports that shall be the responsibility of the auditor.
 - i. Annual local government financial report– (AFR)
 - ii. Landfill Escrow Report
 - iii. Local Highway Finance Report

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals shall be directed in writing to:

Clerk to the Board of Gulf County Commissioners
1000 Cecil G. Costin Sr., Blvd, Room 148
Port St. Joe, Florida 32456
(850) 229-6113

Inquiries must reference the proposal item and the date of the proposal opening and must be received at least ten (10) days prior to the proposal opening. Interpretations will be made in the form of an addenda with copies mailed or delivered to each party who has received copies of the proposal. No other verbal or written information which is obtained other than through this Request for Proposal or its addenda shall be binding on the Gulf County Board of County Commissioners. The County Administrator shall not be responsible for any other explanation or interpretation.

2. Submission of Proposals

The format and information content of the proposal must be consistent with the following and the proposal must be received by the Clerk To The Board of the Gulf County Commissioners, Gulf County Courthouse, 1000 Cecil G. Costin Sr., Blvd., Port St. Joe, Florida, 32456 by 4:30 p.m., E.T. on October 8, 2010 for the proposing firm to be considered:

a. Ten (10) copies to include the following:

i. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address and telephone number of the contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

b. Proposers should send the completed proposal to the following address:

Clerk To The Board of the Gulf County Commissioners
Gulf County Courthouse
1000 Cecil G. Costin Sr., Blvd.
Port St. Joe, Florida, 32456

B. Proposal

1. General Requirements

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Gulf County Board of County Commissioners in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The proposal should address all the points outlined in the request for proposals. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Cost of Services

1. Total All-Inclusive Price

The cost of services should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive price is to contain all direct and indirect costs including all out-of-pocket expenses.

The County will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

2. Rates by Partner, Specialist, Supervisory and Staff Level. Times and hours anticipated for each.

Each proposing firm shall be required to provide a schedule of professional fees and expenses which supports the total all-inclusive price. The cost of special services should be disclosed as a separate component of the total all-inclusive price.

3. Out-of-Pocket Expenses Included in the Total All-Inclusive Price and Reimbursement Rates

All estimated out-of-pocket expenses for firm personnel (e.g., travel, lodging, and subsistence) to be reimbursed should be detailed. All estimated out-of-pocket expenses to be reimbursed will be charged against the total all-inclusive price submitted by the firm.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of engagement and out-of-pocket expenses incurred. Interim billing shall cover a period of not less than a calendar month.

3. Independence

The firm shall provide an affirmative statement that is independent of the Gulf County Board of County Commissioners as defined by the U.S. General Accounting Office's *Government Auditing Standards* (1994). In addition, the firm shall provide an affirmative statement that it is independent of the component unit of the Gulf County Board of County Commissioners as defined by those same standards.

The firm shall also list and describe the firm's (or proposed subcontractors') professional relationships involving the Gulf County Board of County Commissioners or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Gulf County Board of County Commissioners written notice of any professional relationships entered into during the period of this agreement.

4. License to Practice in Florida

An affirmative statement shall be included that the firm and all assigned key professional staff are properly licensed to practice in Florida.

5. Firm Qualifications and Experience

The proposer shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium shall be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements. This shall be provided by each firm comprising a joint venture or consortium, if applicable.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations. This shall be provided by each firm comprising a joint venture or consortium, if applicable.

6. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person and the total number of CPE hours members of the firm have received regarding Governmental Accounting/Auditing.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured. This shall include specific experience with state and federal grant programs.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Gulf County Board of County Commissioners. However, in either case, the Gulf County Board of County Commissioners retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the Gulf County Board of County Commissioners, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

7. Prior Engagements with the Gulf County Board of County Commissioners

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the Gulf County Board of County Commissioners by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

8. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

9. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section H of this request for proposal. In developing the work plan, reference should be made to such sources of information as the Gulf County Board of County Commissioner's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of EDP software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the Gulf County Board of County Commissioners' internal control structure.

- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.
- i. Approach to early implementation of new GAAP.
 - i.) While many firms establish “firm policies” on issues of GAAP for which existing GAAP is unclear, please address the steps which would be taken if, where there is no established GAAP, the County proposes to take an alternative approach to the “firm’s policy”.
 - ii.) If a question of a GAAP interpretation arises between Clerk staff and the audit team, please indicate the steps that would be taken to adequately determine the actual intent/direction of the available/applicable guidance.

These statements are intended to discuss the potential for addressing currently unresolved issues of what GAAP is and do not indicate any intent on behalf of the County to deviate from established GAAP.

- j. Process to produce a meaningful “management letter”. Include three recent “management letters” developed in connection with local government audits.

10. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm’s approach to resolving these problems and any special assistance that will be requested from the Gulf County Board of County Commissioners.

11. Report Format

The proposal should include sample formats for required reports.

VII. EVALUATION PROCEDURES

A. Audit Selection Committee

Proposals submitted will be evaluated by an Audit Selection Committee. The ranked proposals will be submitted to the Gulf County Board of County Commissioners for review and final selection.

B. Review of Proposals

The Audit Selection Committee will use a point formula during the review process to score proposals. Each member of the Audit Selection Committee will first score each proposal by the set of the criteria described in Section VII, “C” below. The full Audit Selection Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a technical score for each firm. At this point, firms with an unacceptably low technical score will be

eliminated from further consideration.

The Gulf County Board of County Commissioners reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using the criteria listed below. The following represent the principal selection criteria which will be considered during the evaluation process.

I. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the Gulf County Board of County Commissioners.
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

Any proposal that does not contain the mandatory elements will be rejected.

II. Technical Quality:

| <u>Evaluation Factor</u> | <u>Possible Points</u> |
|--|------------------------|
| 1. Specialized experience or technical expertise of firm and its personnel in connection with types of services to be provided | 20 |
| 2. Past record of firm to perform work within time limitations taking into consideration firm's current and planned workload | 10 |
| 3. Past record of firm with government and other clients, including quality of work, timeliness and cost control | 15 |
| 4. Knowledge of State and Federal rules and Regulations | 10 |
| 5. Successful similar experience with Florida Small Cities and Counties | 15 |
| 6. Approach to management letter | 10 |

7. Cost of Services

20

Total Points

100

D. Oral Presentations

During the evaluation process, the Audit Selection Committee and/or the Gulf County Board of County Commissioners may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection Determination

Proposals submitted will be evaluated by an Audit Selection Committee. The ranked proposals shall be submitted to the Gulf County Board of County Commissioners for review and final selection.

It is anticipated that a firm will be selected by October 29, 2010. Following notification of the firm selected, it is expected a contract will be executed between both parties by October, 2010.